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SUBJECT: PRESIDENT MEDVEDEV'S VISIT TO CHINA

REF: Moscow 1430

**¶1.** (SBU) Summary. President Medvedev's visit to China on May 23-24 is seen as confirmation of Russia's desire to project a new foreign policy focus towards other major partners, such as China. At the same time, Putin's visit to Paris (septel) and Medvedev's upcoming trip to Berlin ensure that Russia maintains its traditional ties to the West, especially on economic and trade matters. In China, Medvedev and Hu Jintao issued a Joint Statement on International Policy (text at para 13), highlighting both countries' support for "a multi-polar world order and the non-interference in internal affairs" of other countries, and their agreement to strengthen cooperation on a wide-range of foreign policy issues, energy, and trade. The MFA highlighted energy as the most important issue of discussion, and noted that both countries shared similar concerns over global missile defense efforts. Experts saw the visit as more symbolic than substantive, designed to emphasize Russia's global reach. End summary.

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MFA Highlights Eastward Focus  
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**¶12.** (SBU) At a briefing for the Diplomatic Corps on May 29, Evgeniy Timokhin, Deputy Director of the First Asia Department, stressed that Medvedev decided to visit China early, in order to expand the already strong links established under President Putin, and to confirm Russia's increasing focus on China as a foreign policy partner. According to Timokhin, Russia-China relations have undergone less a transformation than a "normal progression" in relations. The visit took place in the backdrop of the earthquake, which contributed to its "emotional" nature. The GOR offered China 12 planes and 12 heavy helicopters' worth of humanitarian aid.

**¶13.** (SBU) Timokhin stressed that Russia-China relations rest on security, territorial integrity and sovereignty. The GOR supported China's position on Taiwan in various international fora including in the UNSC. Both countries had to deal with international security issues precipitated by the rise of terrorism and extremism. In addition, both countries shared similar concerns on the subject of U.S. placement of a missile defense system in Europe. Timokhin also mentioned that Russia had extended clear support to China for the 2008 Olympic Games.

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Significance of the Joint Statement  
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**¶14.** (SBU) During the visit, the two presidents signed a Joint Statement on international policy, stressing strategic cooperation and highlighting the similarity in the foreign policy approach of both countries (summary at para 12; text at para 13). According to Timokhin, Russia and China have not experienced serious political tensions, and benefit from a structure of yearly consultations, but both countries were interested in producing more tangible results. The two sides also signed several documents calling for "practical" cooperation on counterterrorism, nuclear energy, technology, aviation, and banking.

**¶15.** (SBU) Timokhin stressed that one of the central elements in the Joint Statement lies in its human aspect, which stressed the need to cooperate in media, education, health and other sectors of society. During his speech at Peking University, Medvedev stressed expanding cooperation in cultural, educational, and technical spheres. Furthermore, the people-to-people project consisting of Russian and Chinese themed years was judged a success and would hold a prominent place in Russia-China relations for the future. In 2009, the emphasis would be placed on the Russian language in China and in 2010 that emphasis would be placed on the Chinese language in Russia.

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**Missile Defense**  
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**¶16.** (SBU) Capturing most of the press attention was the Joint Statement's unease about "expanding military political alliances, which should not be established at the expense of the security of others [nations]." The statement charged that the establishment of a global missile defense system was "not conducive to the maintenance of strategic balance and stability, to the efforts on international arms control and non-proliferation, as well as to mutual trust between nations and to regional stability." Timokhin said there had been little detailed discussion between Russia and China on missile defense, and the two countries would bring their experts together to continue working on the subject. Timokhin reiterated that MD was a serious concern to China because of Taiwan.

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**Energy Security**  
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**¶17.** (SBU) President Medvedev's visit to Kazakhstan and then to China broke no new ground on the oil and gas relationship amongst these three countries. Russia's overtures to China have largely been a reaction to China's recent activism in Central Asian energy. Russia has a number of oil and gas projects in Eastern Siberia with the Chinese market in mind. Gazprom plans to build two pipelines that will deliver natural gas to China. Plans to build an offshoot from the East Siberian Pacific Ocean oil pipeline to the Chinese city of Daistin have been on hold over disagreement on pricing for the oil. Timokhin said energy issues were at the top of Medvedev's agenda in China, but much of the energy discussion concerned joint nuclear energy projects. According to the Moscow Times a business deal was reached to build and supply a "uranium-enrichment plant in China worth more than \$1 billion."

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**Russia-China Trade Relations**  
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**¶18.** (SBU) Russian statistics place bilateral trade at \$41 billion, with Chinese figures positing \$48 billion. In 2007 China was Russia's third largest trading partner and both countries estimate that trade will reach \$60 billion by 2010. Russia's main trade concern is that China's growth in exports is significantly higher than that of Russia's. Russia's greatest concern stems from the structure of the bilateral trade, with Russia providing raw materials in exchange for Chinese finished products. Timokhin stated that 70% of China's needs are met with Russia's raw materials.

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**Arms Sales and IPR**  
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**¶19.** (SBU) Experts focused on the absence of any big ticket military orders for 2008, with Russian concerns over Chinese IPR violations topping the arms sales agenda. While Timokhin stated that the actual problem was "exaggerated and sensationalized" with consultations in progress, he acknowledged that the issue of intellectual property rights was a difficult one. In particular, he mentioned that in 1996 Russia and China signed an agreement protecting property rights, which was not "solidified."

**¶10.** (U) Aside from meeting with President Hu Jintao, Medvedev also met with China's vice president, the head of China's Parliament, and gave a speech at Beijing University. Timokhin noted that the premiers of both countries meet on a yearly basis; the last meeting of this kind took place in November 2007. The next visit is expected to take place in Moscow in the fall.

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Experts See Visit as Symbolic, Not Substantive

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**¶11.** (SBU) Experts saw the visit as containing little of substance, but important symbolically. Most characterized it as a "propaganda trip" and to show the West that Russia had other friends it could turn to. Aleksandr Golts of the Weekly Journal said the trip was to show that Medvedev was President and had the authority to do foreign policy (just as Putin's trip to Paris reinforced that he still retained a foreign policy role), and to emphasize the importance Russia places on multipolarity. Golts said he did not think the two leaders touched on "real issues" during the visit, or addressed the "real problems" between the two countries. He added that the journalists did not know how to cover the visit - whether to go with Medvedev or stay home and follow Putin. Pavel Zolotarev of the U.S.- Canada Institute added that the GOR also wanted to protect its economic interests with China. The daily Izvestia questioned Russia's willingness to protect its economic interests given that Sukhoi Director Mikhail Pogosyan and Industry Minister Viktor Khristenko avoided criticism of Chinese intellectual property rights violations.

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Summary of Joint Statement

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**¶12.** (U) The text of the Declaration (para 13) outlines the changing nature of the international community within a more globalized and interdependent structure. It notes that both countries believe that they are responsible for peaceful world development as members of the UNSC.

-- Article One stresses a multi-polar world order and the "non-interference in internal affairs" of other countries, and makes a swipe at the continued existence of "unilateralism and power politics."

-- Article 2 stresses support for "the leading role played by the UN," and calls for reform to confer greater authority and enhance the UN's effectiveness. Timokhin noted this would increase Russia's and China's ability to influence world affairs within the organization.

-- Article 3 stresses that the fight against terrorism should be carried out through multilateral frameworks, on the basis of the UN Charter, and should not bear a "double standard." In addition both parties agreed to work together to strengthen the coordinating role of the UN. Article 3 also calls for cooperation in fighting terrorism, corruption, and illicit drugs within the framework of the SCO, ASEAN, and APEC.

-- Article 4 establishes both countries' commitment to further globalization in a balanced fashion, and calls on the international community to help developing nations, in particular, to close the economic divide between the North and the South.

-- Article 5 outlines both countries' commitment to international security; it calls for strengthening cooperation in international arms control and non-proliferation efforts, using political and diplomatic means to resolve the proliferation of weapons of mass destruction, and support for the peaceful use of outer space.

Article 5 also expresses the two sides' concern over the establishment of a global missile defense system.

-- Article 6 stresses both countries' commitment to sustainable development and stresses their "comprehensive compliance" with the UN Convention on Climate Change and the Kyoto Protocol.

-- Article 7 calls for increasing energy dialogues and coordination to stabilize and improve the supply and demand market for international energy, and to safeguard energy security.

-- Article 8 outlines both countries' support for the six-party talks on North Korea. According to Timokhin, the visit highlighted

that both Russia and China want a practical solution to the problem. However, both sides realized that this was not an easy task and would require patience and hard work on behalf of the international community and the parties involved. In addition, both countries agreed to seek a diplomatic solution to Iran's nuclear ambitions and were against the use of military force and sanctions on Iran without "taking into consideration the interest of other governments," including Iran's.

-- Article 9 stresses fostering cultural dialogue.

-- Article 10 calls for the respect of human rights on the basis of "sovereign equality and non-interference in internal affairs" and to stand up against the politicization of the term and the use of double-standards. -- Article 11 outlines both countries' willingness to strengthen cooperation between the G8 and developing countries, and to strengthen other international cooperation mechanisms, such as the BRIC (Brazil, Russia, India, China). Both sides consider the Shanghai Cooperation Organization (SCO) playing an important role in maintaining stability, peace, security and fostering economic development in Eurasia. Both countries support the consolidation of the SCO in the future to deepen dialogue among interested parties "with the goal of solving common problems."

#### ¶13. (U) Begin Text of Joint Statement.

##### **Joint Statement of the PRC and the Russian Federation on Major International Issues:**

In view of the responsibilities for world peace and development that they assume as permanent members of the United Nations Security Council as well as their unanimous position on major international issues, in line with the "Joint Statement of the PRC and the Russian Federation on World Multi-Polarization and Establishment of a New International Order" of 23 April 1997 and the "Joint Statement of the PRC and the Russian Federation on an International Order for the 21st Century" of 1 July 2005, the PRC and the Russian Federation (hereafter the "two sides") stress that the establishment of a strategic cooperation and partnership between China and Russia and the conclusion of the "Treaty of Good-Neighbourliness and Friendly Cooperation Between the PRC and the Russian Federation" on 16 July 2001 are of important historical significance.

The statement is as follows:

One. As the world is undergoing tremendous changes, the era requires all countries to pursue peace, seek development and promote cooperation. The trend of multi-polarization is irreversible, economic globalization is deepening, science and technology are progressing rapidly, and global and regional cooperation is booming. At the same time, unilateralism and power politics continue to exist in the world. While regional conflicts triggered by ethnic and religious contradictions frequently arise, the world economy becomes increasingly unbalanced, and new threats and challenges emerge endlessly.

Because of these, all countries of the world should work together to deal effectively with the common threats and challenges and build a harmonious world of lasting peace and common prosperity. It is necessary to abide by the objectives and principles of the "UN Charter," strictly observe the principles of respecting sovereignty and territorial integrity, mutual non-aggression, mutual non-intervention in internal affairs, equality and mutual benefit, peaceful coexistence as well as the international laws and other universally recognized norms guiding international relations. All countries should abandon the "Cold War mentality" and clique politics, and promote equality, democracy and collaboration.

Two. The two sides support the leading role played by the UN in international affairs. The role of the UN in safeguarding world peace, promoting cooperation among all states, and fostering joint development is irreplaceable. The two sides unanimously agree that the UN should carry out necessary and rational reform, strengthen its authority, and raise its efficiency in order to boost its ability to deal with new threats and new challenges. Reform should be carried out according to the principle of gradual progress, consultation and unanimity.

Three. The two sides condemn terrorism in any form. The two sides point out: Terrorism is seeking ideological expansion and has

increasingly closer ties with transnational organized crimes and drug trafficking. The two sides expressed their concern about this. The international community should jointly combat terrorism within the multilateral frameworks on the basis of the "UN Charter" and internationally recognized principles on international relations. Double standards should be discarded in the fight against terrorism, and anti-terrorism should not be used as an excuse to achieve goals that are contrary to the tasks of safeguarding international stability and security.

For this reason, the two sides are committed to strengthening the UN's central coordination role in combating terrorism and facing up to other new threats and challenges in the international community. The international community should fulfil the UN's important anti-terrorism documents, including the "UN Global Counter-Terrorism Strategy," and promote early consensus on the "Comprehensive Convention on International Terrorism." The two sides will take positive measures, mobilize social forces, including non-governmental organizations and personages in the industrial circles, to curb terrorism thoughts and eliminate new threats and challenges

The two sides reiterate that they will relentlessly enhance cooperation in regional organizations and forums, first of all within the multilateral frameworks of the Shanghai Cooperation Organization (SCO), the ASEAN Regional Forum and the Asia-Pacific Economic Cooperation (APEC) in a bid to fight against terrorism, drug trafficking and crimes. The two sides will continue efforts to build a partner network for international and regional organizations and their anti-terrorism organs in the Asia-Pacific region.

Four. The two sides are ready to jointly push forward the development of economic globalization towards a balanced, universally beneficial and win-win direction. They call on the international community, especially the developed countries, to increase development aid and comprehensively honour their commitments on providing aid for developing countries, so as to create a favourable international environment for their development.

The two sides support a reciprocal and win-win open strategy, the promotion of South-North dialogue and South-South cooperation, and narrowing south-north gap. To this end, it is necessary to improve the international trade and financial system, oppose trade protectionism and investment protectionism, and address economic and trade friction and problems through consultations on equal-footing and cooperation

Five. The two sides maintain that to safeguard lasting peace, all countries of the world should take the "UN Charter" as well as the principles of mutual trust, consideration of each other's interests, equality, cooperation, openness and predictability as a basis, and push forward the development of the international security system in a direction that is more consistent with the demands of the times and the common interest of all countries.

The two sides maintain that international security is comprehensive and inalienable. The security of some countries cannot be guaranteed at the cost of some others', including expanding military and political allies. The two sides stress the need to fully respect and take into consideration the interests and concerns of concerned countries.

The two sides are willing to continue to actively push forward the international arms control process under the premise that no harm will be done to the security of all countries as well as to strive to promote the universality and effectiveness of multilateral arms control and of the non-proliferation treaty. The two sides propose the use of political and diplomatic means to resolve the proliferation of weapons of mass destruction and their means of delivery within the framework of international laws in order to promote international security.

The two sides maintain that the establishment of a global missile defence system, including the deployment of the system in some regions of the world or the initiation of relevant cooperation, is not conducive to the maintenance of strategic balance and stability, to the efforts on international arms control and non-proliferation, as well as to mutual trust between nations and to regional

stability. The two sides express their concern about this.

The two sides stand for the peaceful utilization of outer space and oppose the weaponization of outer space and of any space arms race. The two sides also stress the importance of signing relevant international laws and regulations to forbid the deployment of weapons in outer space through negotiations within the framework of the Geneva Conference on Disarmament.

Six. The two sides maintain that sustainable development is an important area in international cooperation. All countries should step up exchange of experiences, protect natural resources and biodiversity, and strive to build an environmentally friendly and resource efficient society.

The two sides attach importance to the issue of climate change and reiterate their comprehensive compliance with the obligations of the "UN Framework Convention on Climate Change" and its "Kyoto Protocol." They are ready to abide strictly by the principles of the Convention, particularly the principle of "common but differentiated responsibilities" and of each according to its ability, and initiate dialogue and cooperation in this area. The developed countries should provide capital and technological support to the developing countries in order to raise the capabilities of the developing countries to deal with climate change.

Seven. The two sides call on all countries to step up energy dialogues and coordination based on the principle of equality and mutual benefits in order to stabilize and improve the supply and demand market for international energy as well as to jointly safeguard global energy security. The two sides support the establishment and implementation of a new energy security concept featuring mutually beneficial cooperation, diversified development, and coordinated guarantees. They also call for acceleration in the development and research as well as popularization of new energy technology that are beneficial to the protection of the environment.

Eight. The two sides positively appraise the progress made in the six-party talks on the Korean peninsula nuclear issue. They also call on all parties to persist with the direction of a peaceful resolution of the issue through dialogues and negotiations, continue to move towards each other, show flexibility and advance the process of the six-party talks in order to realize a nuclear free Korean peninsula as soon as possible, realize the normalization of relations between the relevant countries, and realize the lasting peace and security of the North Asian region. The two sides are prepared to continue to play an active role to this end.

The two sides propose the resolution of the Iran nuclear issue, the reconstruction of Iraq and Afghanistan as well as the issues of the Middle East, Kosovo, Sudan (Darfur) and other urgent international issues through dialogues and peaceful consultation. All parties should consider global and regional security, make diplomatic efforts, refrain from military and extreme means, cautiously resort to sanctions and take into account the interests of the country involved when resolving the aforementioned issues.

Nine. The two sides maintain that the diversity of civilization and culture constitutes an important driving force for the progress of mankind. In line with the principles of equality and mutual respect, all countries should strengthen dialogues between different civilizations, different cultures, and different religions in order to realize the harmonious development as well as tolerance and coexistence of all kinds of civilizations and cultures.

Ten. The two sides reiterate the universal principle of respect of human rights. At the same time, they also maintain that all countries have the right to promote and protect human rights in accordance to the national conditions of their respective countries. On the question of human rights, all countries should eliminate frictions through dialogues and cooperation on the basis of sovereignty, equality and non-interference in the internal affairs of others, oppose the politicization of the human rights issue and the practice of double standards, oppose the use of human rights issue as an excuse to interfere in the internal affairs of other countries, as well as push forward the handling of human rights issue by the international community in an objective and

non-selective manner.

Eleven. The two sides are ready to jointly strengthen dialogues between the leaders of the "Group of Eight" and the developing countries as well as to strengthen international cooperation mechanism such as the "Golden BRIC (Brazil, Russia, India and China)" and the foreign ministers' meeting between China, Russian and India. They are ready to push forward the establishment and further development of the above and other international cooperation mechanism on the basis of the unanimity of interests in order to find a coordinated and unanimous solution to the challenges and threats confronting global and regional security and sustainable development.

The two sides welcome the establishment of a coordinating mechanism between integrated regional organizations, particularly the strengthening of cooperation in the East Asian region, in order to expand the political dialogues, economic cooperation, as well as social and cultural exchanges in this region. China supports a more active integration of Russia into the integration process in East Asia.

The two sides maintain that the SCO has already become an extremely important factor for consolidating strategic stability, safeguarding peace and security, as well as developing all kinds of economic and human cooperation. The two sides reiterate that they will further consolidate the unity of the SCO. The two sides also maintain that to resolve the urgent issues of contemporary times and make them acceptable to all sides, deepening SCO's dialogues with relevant countries, international organizations and forums on the basis of the principle of openness and not targeting a third country is of vital importance.

President of PRC Hu Jintao (signature)

President of the Russian Federation D. A. Medvedev (signature)

23 May 2008 in Beijing.

End Text.

RUSSELL